

RULES CONCERNING HANDLING FOR BORROWING AND LENDING TRANSACTIONS OF SHARE CERTIFICATES, ETC.

(November 2, 1998)

(Purpose)

Article 1 The purpose of the Rules Concerning Handling for Borrowing and Lending Transactions of Share Certificates, Etc. (hereinafter referred to “Rules”) is to define necessary matters concerning the Borrowing and Lending Transactions of Share Certificates, etc. conducted by Regular Members such as the conclusion of agreement, the transaction method, etc. of Borrowing and Lending Transactions of Share Certificates, etc. in order to achieve fair and smooth Borrowing and Lending Transactions of Share Certificates, etc., thereby contributing to sound development of the capital market.

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

Article 2 When a Regular Member conducts Borrowing and Lending Transactions of Share Certificates, etc. with a counterparty (including another Regular Member; the same shall apply hereinafter), the Regular Member must comply with these Rules, as well as with the Financial Instruments and Exchange Act (hereinafter referred to as “FIEA”), other related laws and regulations, and various rules.

(Definitions)

Article 3 In these rules, the definitions of the terms set forth in each of the following Items shall be as prescribed therein:

(1) Share Certificates, etc.:

Share certificates, share option certificates, bonds with share options, equity investment certificates (as prescribed in Article 2, Paragraph 1, Item 6 of the FIEA), preferred equity investment certificates (preferred equity investment certificates issued by a cooperative structured financial institution; the same shall apply hereinafter), and beneficiary certificates of investment trusts that will be newly listed or have already been listed in a domestic Financial Instruments Exchange Market (beneficiary certificate of investment trusts; the same shall apply hereinafter), beneficiary certificates of foreign investment trusts (beneficiary certificates of foreign investment trusts; the same shall apply hereinafter), investment securities, investment equity subscription right certificates, foreign investment securities, beneficiary certificates of beneficiary certificates issuing trust, beneficiary certificates of foreign beneficiary certificates issuing trust, and foreign share depositary receipts (securities that are prescribed in the provision of Article 2, Paragraph 1, Item 20 of the FIEA and that are depositary receipts representing the right related to share certificates issued by a foreign corporation; the same shall apply hereinafter) and covered warrants.

(2) Borrowing and Lending Transactions of Share Certificates, etc.:

Borrowing and Lending transactions for consumption of Share Certificates, etc. , share option certificates, bonds with share options, and investment equity subscription right certificates where one party (Lender) lends Share Certificates, etc. to the other party (Borrower), and after a period agreed between the parties concerned, the Borrower returns to the Lender the Share Certificates, etc. (excluding share option certificates, bonds with share option, and investment equity subscription right certificates; the same shall apply hereinafter in this Item) of the same type, grade and amount as one that were originally borrowed in the case of Share Certificates, etc., and share options, bonds with share option, or investment equity subscription right certificates of the same type and amount as those that were originally borrowed in the case of share option

certificates, bonds with share option, or investment equity subscription right certificates.

- (3) Lender:
A party who lends the Share Certificates, etc. in the Borrowing and Lending Transactions of Share Certificates, etc.
- (4) Borrower:
A party who borrows the Share Certificates, etc. in the Borrowing and Lending Transactions of Share Certificates, etc.
- (5) Transaction Execution Date:
A date to start the Borrowing and Lending Period that is defined in an agreement.
- (6) Transaction Settlement Date:
A date to finish the Borrowing and Lending Period that is defined in an agreement.
- (7) Borrowing and Lending Period:
A period from the Transaction Execution Date to the Transaction Settlement Date.
- (8) Borrowing and Lending Fee:
Money paid by the Borrower to the Lender as a consideration of the lending of Share Certificates, etc.
- (9) Collateral Money:
Money received by the Lender from the Borrower for the purpose of covering all the credits against the Borrower in connection with a claim of returning the Share Certificates, etc. and other individual transactions.
- (10) Interest Rate:
An interest imposed on the Collateral Money.
- (11) Market Price:
The Market Price of securities, etc. shall be defined as follows depending on a category of securities set forth below:
 - (a) Share Certificates prescribed in the provision of Article 7, Paragraph 2, Item 1, bonds with share options prescribed in the same Paragraph, Item 7 (including corporate bonds and share option certificates that are subscribed and allotted at the same time, and sold and purchased in an integral form; the same shall apply hereinafter), exchangeable corporate bonds prescribed in the same Paragraph, Item 8, and beneficiary certificates of investment trust and investment securities that are prescribed in the same Paragraph, Item 14 and that are listed in a domestic Financial Instruments Exchange Market:

The last price in a domestic Financial Instruments Exchange Market (in case a quotation is indicated in a domestic Financial Instruments Exchange Market, such last quotation).
 - (b) Beneficiary certificates of investment trusts and investment securities that are prescribed in Article 7, Paragraph 2, Item 14 and whose Market Price of the previous day is publicized by the Investment Trust Association:

A Market Price publicized by the Investment Trust Association.
 - (c) Securities other than those set forth from (a) through (b) and whose trading reference prices are publicized by the Association:

The average price of the trading reference prices publicized by the Association (in the case of inflation-linked government bonds as prescribed in Article 1 of the Ministerial Order on

Handling of Inflation-linked Government Bonds (Ministry of Finance Order No.7 of 2004), the value obtained by multiplying said average value by an indexation coefficient publicized by the Ministry of Finance).

- (d) Securities other than those set forth from (a) through (c) and that are listed in a domestic Financial Instruments Exchange Market:

The last price in a domestic Financial Instruments Exchange Market (in case the quotation is indicated in a domestic Financial Instruments Exchange Market, such last quotation).

- (e) Securities, etc. other than those set forth from (a) through (d):

A reasonable and proper price or quotation.

(Explanation and Confirmation on Borrowing and Lending Transactions of Share Certificates, Etc.)

Article 4 When a Regular Member borrows the Share Certificates, etc. from a customer (excluding professional investors (professional investors as prescribed in Article 2, Paragraph 31 of the FIEA (excluding a person who is regarded as a customer other than the professional investors pursuant to Article 34-2, Paragraph 5 of the FIEA) and a person who is considered a professional investor pursuant to Article 34-3, Paragraph 4 of the FIEA (including cases where it applies *mutatis mutandis* to Article 34-4, Paragraph 6 of the FIEA); the same shall apply hereinafter) and foreign corporations and other entities that are equivalent to the professional investors; hereinafter referred to as “Individual Investor, etc.”), the Regular Member must explain the matters set forth in each Item below to the Individual Investor, etc. in advance:

- (1) Matters concerning the basic structure of the Borrowing and Lending Transactions of Share Certificates, etc.;
 - (2) Matters concerning risks associated with the Borrowing and Lending Transactions of Share Certificates, etc.;
 - (3) Matters concerning rights and obligations of shareholders in the Borrowing and Lending Transactions of Share Certificates, etc.; and
 - (4) Matters concerning the tax treatment, etc. of the Borrowing and Lending Transactions of Share Certificates, etc.
2. When a Regular Member conducts the Borrowing and Lending Transactions of Share Certificates, etc. with an Individual Investor, etc., the Regular Member must make its best efforts to have the Individual Investor, etc. understand risks associated with the Borrowing and Lending Transactions of Share Certificates, etc., and obtain confirmation from the Individual Investor, etc. that they would make the transaction on their own decision and responsibilities.

(Conclusion of Agreement on Borrowing and Lending Transactions of Share Certificates, Etc.)

Article 5 When a Regular Member starts the Borrowing and Lending Transactions of Share Certificates, etc., the Regular Member must conclude a master agreement on the Borrowing and Lending Transactions of Share Certificates, etc. (hereinafter referred to as “Master Agreement”) with a counterparty in advance, and properly file and retain the agreement.

- 2. When a Regular Member borrows the Share Certificates, etc. pursuant to the Master Agreement prescribed in the preceding Paragraph, the Regular Member must conclude an Individual Transaction Agreement concerning the Master Agreement on Borrowing and Lending Transactions of Share Certificates, etc. (hereinafter referred to as “Individual Transaction Agreement”) with a counterparty

every time, or submit an IOU of securities (hereinafter referred to as “IOU”) to the Lender. However, if a Regular Member concludes a consent letter concerning the Master Agreement on Borrowing and Lending Transactions of Share Certificates, etc. (hereinafter referred to as “Consent Letter”) with a counterparty, the Regular Member may substitute the delivery by an Individual Transaction Statement concerning the Master Agreement on Borrowing and Lending Transactions of Share Certificates, etc. (hereinafter referred to as “Individual Transaction Statement”) for the conclusion of the Individual Transaction Agreement.

3. When a Regular Member lends the Share Certificates, etc. pursuant to the Master Agreement prescribed in the provision of Paragraph 1, the Regular Member must conclude the Individual Transaction Agreement with or accept the IOU from the Borrower. However, if the Regular Member concludes the Consent Letter with the Borrower, the Regular Member may substitute the delivery of Individual Transaction Statement for the conclusion of the Individual Transaction Agreement.
4. Notwithstanding the preceding two Paragraphs, a Regular Member does not need to conclude the Individual Transaction Agreement, submit or receive the IOU, or deliver the Individual Transaction Statement if all the requirements set forth in the respective Items below are fulfilled:
 - (1) The counterparty fulfills either of the following requirements;
 - (a) The counterparty is a professional investor; or
 - (b) The counterparty has concluded an investment discretionary agreement prescribed in Article 2, Paragraph 8, Item 12(b) of the FIEA with a Regular Member who conducts the investment management business prescribed in Article 28, Paragraph 4 of the FIEA.
 - (2) A Regular Member agrees with a counterparty in advance in writing or via a means using information technology that the Regular Member does not need to conclude an Individual Transaction Agreement with the counterparty, submit or receive the IOU, or deliver the Individual Transaction Statement to the counterparty; and
 - (3) A Regular Member establishes a system to immediately respond to an inquiry on the details of the individual Borrowing and Lending Transactions from a counterparty.
5. A Regular Member must describe the matters listed in the respective Items below on the Master Agreement prescribed in Paragraph 1:
 - (1) Method of concluding the individual agreement on the Borrowing and Lending Transactions of Share Certificates, etc.;
 - (2) How to pay the Lending Fee;
 - (3) How to deliver the Share Certificates, etc.;
 - (4) Provision of Collateral Money, etc.;
 - (5) How to process rights;
 - (6) Return of Share Certificates, etc. before the expiration of Lending Period;
 - (7) Measures taken in the event of non-fulfillment of an agreement;
 - (8) Payment method in case of foreign currency;
 - (9) Prohibition of assignment and pledge of rights;
 - (10) Period for an agreement; and

- (11) Others (specially agreed items).
6. A Regular Member must describe the matters listed in the respective Items below on the Individual Transaction Agreement, the IOU, or the Individual Transaction Statement prescribed in Paragraphs 2 and 3. Provided, however, that where matters listed in the Item 8 are stated in the Master Agreement, the statement of such matters may be omitted:
- (1) Contract date;
 - (2) Issue name (in case of share option certificates, bonds with share options, or investment equity subscription right certificates; their issue name and number of issue);
 - (3) Borrowing and Lending volume;
 - (4) Lender;
 - (5) Borrower;
 - (6) Borrowing and Lending Period;
 - (7) Borrowing and Lending Fee;
 - (8) In the event of conducting an individual transaction of bonds with share options or classified Share Certificates subject to call, share option certificates, or investment equity subscription right certificates the necessary measures such as the measure to be taken when the bonds with share options are redeemed during the lending period or the measure to be taken when the call is applied during the lending period;
 - (9) Others (specially agreed items).
7. In the event that the conclusion of Individual Transaction Agreement, the submission or receipt of the IOU, or the delivery of Individual Transaction Statement is omitted pursuant to Paragraph 4, a Regular Member shall confirm the matters set forth in the respective Items of the preceding Paragraph with a counterparty in a method agreed with the counterparty.
8. When a Regular Member is the Lender in the Borrowing and Lending Transaction of Share Certificates, etc., the Regular Member must check whether or not the Borrowing and Lending Transactions of Share Certificates, etc. is made for the purpose of selling the Share Certificates, etc. borrowed by the Borrower, and retain an evidence document.
9. A Regular Member may provide matters to be described in the Individual Transaction Statement in a method using an electronic information processing organization or other means using information technology as an alternative to the delivery of such Individual Transaction Statement prescribed in Paragraphs 2 and 3, pursuant to the “Rules Concerning Handling of Documents Delivery, Etc. through Electromagnetic Method” (hereinafter referred to as “Electromagnetic Document Delivery Rules”). In such case, the Regular Member shall be regarded to have delivered such Individual Transaction Statement.
10. A Regular Member may conclude the Master Agreement and the Individual Transaction Agreement prescribed in Paragraphs 1 through 3 (hereinafter referred to as “Agreements” in this Article), submit/receive the IOU, and exchange the Consent Letter (hereinafter referred to as “Conclusion, etc. of the Agreements” in this Article) in a method using an electronic information processing organization or other means using information technology as an alternative to make such Conclusion, etc. of the Agreements. In such case, the Regular Member shall be regarded to have made such Conclusion, etc. of the Agreements in writing.

11. In the event a Regular Member who made the Conclusion, etc. of the Agreements pursuant to the preceding Paragraph receives an inquiry from a counterparty on the details of the Agreements, the IOU, or the Consent Letter, the Regular Member must provide the counterparty with the details of the Agreements, the IOU, or the Consent Letter, without delay, in writing, orally, by telegraph, on the phone, in a method using an electronic information processing organization, or by other means.

(Acceptance of Collateral Money, Etc.)

Article 6 When a Regular Member is the Lender in the Borrowing and Lending Transactions of Share Certificates, etc., the Regular Member shall decide on the amount of the Collateral Money after obtaining the consent of the Borrower. Provided, however, that in the event the Borrowing and Lending Transactions of Share Certificates, etc. is made for the purpose of selling the Share Certificates, etc. borrowed by the Borrower through the Regular Member, the Regular Member shall accept an amount of Collateral Money from the Borrower that exceeds the Market Price of the Share Certificates, etc. lent (or the market price of the previous day if the Market Price of the day is not calculated; the same shall apply hereinafter) by the Transaction Execution Date.

2. In the event a Regular Member is the Borrower in the Borrowing and Lending Transactions of Share Certificates, etc., the amount of Collateral Money shall be determined after obtaining the consent of the Lender. Provided, However, that if the Lender is an Individual Investor, etc., the Regular Member must provide the collateral (including those which have the same effect as the collateral) to the Individual Investor, etc. unless the Regular Member obtains the written consent, in advance or simultaneously, of the Individual Investor, etc. that he/she does not need to receive the collateral. If the transaction is made without collateral, the Regular Member must fully explain risks associated with such transaction without collateral to the Lender regardless of the attribute of such Lender.
3. A Regular Member may apply interest on Collateral Money provided by the Borrower.
4. A Regular Member may receive the matters to be prescribed in a document confirming that the collateral is not required for the Borrowing and Lending transactions of Share Certificates, etc. (hereinafter referred to as “Confirmation on the Borrowing and Lending Transactions of Share Certificates, etc. without Collateral”) prescribed in Paragraph 2 in a method using an electronic information processing organization or other means using information technology as an alternative to the receipt of such Confirmation on the Borrowing and Lending Transactions of Share Certificates, etc. without Collateral from the Individual Investor, etc. pursuant to the “Electromagnetic Document Delivery Rules.” In such case, the Regular Member shall be regarded to have concluded such Confirmation, etc. in writing.
5. In the event a Regular Member who concludes the Confirmation on the Borrowing and Lending Transactions of Share Certificates, etc. without Collateral pursuant to the preceding Paragraph receives an inquiry from a Individual Investor, etc. who is a counterparty on the details of the Confirmation on the Borrowing and Lending Transactions of Share Certificates, etc. without Collateral, the Member must provide to the Individual Investor, etc. who is a counterparty the details of such Confirmation on the Borrowing and Lending Transactions of Share Certificates, etc. without Collateral, without delay, in writing, orally, by telegraph, on the phone, in a method using an electronic information processing organization, or by other means.

(Substitution of Collateral Money)

Article 7 The Collateral Money prescribed in the preceding Article and the following Article may be substituted with the securities, etc. set forth in the respective Items below. When accepting the securities, etc. as a substitute for the Collateral Money (hereinafter referred to as “Securities Substitute for the Collateral Money”), a Regular Member must carefully check the equivalence of such securities as Collateral Money, and to prepare/retain evidence materials and documents.

2. In the Borrowing and Lending Transactions of Share Certificates, etc. for the purpose of selling the Share Certificates, etc., borrowed by the Borrower through the Lender, the types of securities that can be accepted as a substitute for Collateral Money shall be those set forth in the respective Items below, and the value of the substitute securities shall not exceed the amount that is calculated by multiplying the Market Price on the previous day of the substitute securities by the ratio set forth in the respective Item below:
 - (1) Share certificates listed in a domestic Financial Instruments Exchange Market (including beneficiary certificates of foreign investment trust, foreign investment securities, foreign share depositary receipts, preferred equity investment certificates, beneficiary certificates of beneficiary certificates issuing trust and beneficiary certificates of foreign beneficiary certificates issuing trust); 80/100
 - (2) National government bonds (national government bonds set forth in Article 2, Paragraph 1, Item 1 of the FIEA); 95/100
 - (3) Municipal bonds (municipal bonds set forth in Article 2, Paragraph 1, Item 2 of the FIEA and limited to cases where a master underwriting agreement was concluded by Financial Instruments Business Operators that conduct the securities-related business (securities-related business prescribed in Article 28, Paragraph 8 of the FIEA; the same shall apply hereinafter) at the time of issuance); 85/100
 - (4) Bonds issued by a corporation under a special law (securities set forth in Article 2, Paragraph 1, Item 3 of the FIEA);
 - (a) Those for which redemption of the principal and the payment of interest are guaranteed by the government; 90/100
 - (b) Others; 85/100
 - (5) Specified corporate bonds (specified corporate bonds set forth in Article 2, Paragraph 1, Item 4 of the FIEA); 85/100
 - (6) Corporate bonds listed in a domestic Financial Instruments Exchange Market (corporate bonds set forth in Article 2, Paragraph 1, Item 5 of the FIEA, provided, however, that bonds with share options and exchangeable corporate bonds shall be excluded; the same shall apply hereinafter), or corporate bonds issued by a company whose Share Certificates are listed in a domestic Financial Instruments Exchange Market and a company other than a foreign corporation (limited to cases where a master underwriting agreement was executed by Financial Instruments Business Operators that conduct the securities-related business); 85/100
 - (7) Bonds with share options that are listed in a domestic Financial Instruments Exchange Market or bonds with share options issued by a company whose Share Certificates are listed in a domestic Financial Instruments Exchange Market and a company other than a foreign corporation (limited to cases where a master underwriting agreement was executed by Financial Instruments Business Operators that conduct the securities-related business); 80/100
 - (8) Exchangeable corporate bonds that are listed in a domestic Financial Instruments Exchange Market (limited to cases where a Master underwriting agreement was executed by Financial Instruments Business Operators that conduct the securities-related business); 80/100
 - (9) Yen-denominated foreign government bonds listed in a domestic Financial Instruments Exchange Market; 85/100
 - (10) Yen-denominated foreign municipal bonds listed in a domestic Financial Instruments Exchange Market; 85/100

- (11) Yen-denominated bonds issued by International Bank for Reconstruction and Development; 90/100
 - (12) Yen-denominated bonds issued by Asian Development Bank; 90/100
 - (13) Yen-denominated foreign bonds issued by a foreign corporation excluding the issuer set forth from Item 9 to the preceding Item (excluding convertible bonds and exchangeable bonds, and limited to those listed in a domestic Financial Instruments Exchange Market); 85/100
 - (14) Beneficiary certificates of investment trust and investment securities (limited to those listed in a domestic Financial Instruments Exchange Market and whose Market Price on the previous day (moved up accordingly if the previous day is a holiday of the Financial Instruments Exchange Market; the same shall apply hereinafter) is publicized by the Investment Trusts Association);
 - (a) Beneficiary certificates of public bond investment trusts; 85/100
 - (b) Others; 80/100
 - (15) US Treasury securities; 90/100
 - (16) Certificates of deposit (excluding those issued in a foreign country); 85/100
 - (17) Commercial paper (excluding those issued in a foreign country); 85/100
 - (18) Beneficiary certificates of loan trust (limited to those issued one year ago or before);
 - (a) Beneficiary certificates of a loan trust where a trustee in the trust agreement is a person who receives such beneficiary certificates as a collateral; 90/100
 - (b) Others; 85/100
 - (19) Beneficiary rights of joint designated money trust;
 - (a) Beneficiary rights of a joint designated money trust where the trustee in the trust agreement is a person who receives such beneficiary rights as a collateral; 90/100
 - (b) Others; 85/100
 - (20) Obligations based on the time deposit contract, negotiable deposit contract, and contract of deposit at call;
 - (a) Obligations based on the deposit contract where the obligator is a person who receives such obligations; 95/100
 - (b) Others; 85/100
 - (21) Payment guarantee contracts by a bank; 85/100
3. In the event the type of currency indicated in the Share Certificates, etc. subject to the Borrowing and Lending Transactions differs from that of the Collateral Money received from the counterparty (in case the securities are accepted as a substitute for the Collateral Money, the currency indicated in such securities), the value of the currency or Securities Substitute for the Collateral Money shall not exceed the amount that is calculated by multiplying the substitute value in the same currency by 95/100.

(Acceptance, Etc. of Additional Collateral Money, Etc.)

Article 8 A Regular Member shall make the mark-to-market of the Share Certificates, etc. that is lent to a Borrower on a daily basis, and if the Regular Member finds that the total market value of the Share Certificates, etc. is short or excessive in relation to the total amount of Collateral Money and the total market value multiplied by substitute ratio of the Securities Substitute for Collateral Money, the Regular Member shall immediately accept an additional Collateral Money that is determined pursuant to the consent with the Borrower or return the excessive Collateral Money to the Borrower. Provided, however, that this provision shall not apply to the return of Collateral Money in the case where the Borrowing and Lending Transactions of Share Certificates, etc. is made for the purpose of selling the Share Certificates, etc. borrowed by the Borrower, and the Borrower provides the sales proceeds to the Lender as collateral.

(Proper Management of Collateral Received)

Article 9 When a Regular Member is the Lender in a Borrowing and Lending Transactions of Share Certificates, etc., the Regular Member must properly manage the Collateral Money received from the Borrower, and endeavor to ensure the soundness of Borrowing and Lending Transactions of Share Certificates, etc.

(Return of Collateral Money, Etc.)

Article 10 When a counterparty returns the Share Certificates, etc. subject to Borrowing and Lending to a Regular Member before the expiration of the Lending Period, the Regular Member must immediately return the Collateral Money, etc. to the counterparty.

(Receipt, Etc. of Borrowing and Lending Fee)

Article 11 When a Regular Member lends the Share Certificates, etc., to a counterparty, the amount of Borrowing and Lending Fee shall be determined by mutual consent between the Regular Member and the counterparty.

2. When a Regular Member borrows the Share Certificates, etc. from a counterparty, the amount of Borrowing and Lending Fee shall be determined by mutual consent between the Regular Member and the counterparty.

(Reconciliation of Outstanding Amount of Borrowing and Lending, Etc.)

Article 12 A Regular Member must reconcile the outstanding balance of the Share Certificates, etc. subject to Borrowing and Lending and the Collateral Money, etc. to the counterparty (excluding Professional Investors; the same shall apply in the following Paragraph) at least once every three months.

2. When reconciling the outstanding balance prescribed in the preceding Paragraph, if there was counterparty's outstanding balance of the Share Certificates, etc. subject to the Borrowing and Lending or the Collateral Money after the last reconciliation in which there had been no counterparty's outstanding balance, the Regular Member must conduct a reconciliation with such counterparty to confirm that there is currently no outstanding balance.

(Prudent Use)

Article 13 When a Regular Member conducts the Borrowing and Lending Transaction of Share Certificates, etc., the Regular Member shall manage it in a prudent manner depending on the scale

and business condition of the Regular Member and shall always be careful not to conduct the business excessively.

(Prohibition of New Borrowing and Lending Transactions of Share Certificates, Etc.)

Article 14 If a counterparty falls under any of the following conditions, a Regular Member must not conduct new Borrowing and Lending Transactions of Share Certificates, etc. with such counterparty, unless otherwise agreed with the counterparty:

- (1) The Regular Member has made payment on behalf of the counterparty such as unsettled/undelivered amount in connection with the executed transaction;
- (2) The Collateral Money is not yet provided by the counterparty; or
- (3) It is recognized as inappropriate in light of the transaction status and other reasons.

(Establishment of Internal Rules)

Article 15 When a Regular Member conducts the Borrowing and Lending Transactions of Share Certificates, etc., the Regular Member must establish internal rules for the Borrowing and Lending Transactions of Share Certificates, etc. in order to ensure sound business management of the Regular Member.

(Enhancement of Internal Administration System)

Article 16 A Regular Member must check on a regular basis whether the Borrowing and Lending Transactions of Share Certificates, etc. are conducted properly pursuant to its internal rules, under the responsibility of an Internal Administration Supervisor.

(Report and Publication of the Status of Borrowing and Lending Transactions of Share Certificates, Etc.)

Article 17 A Regular Member must report the weekly status of the Borrowing and Lending Transactions of Share Certificates, etc. to the Association on the following Monday (or the next business day if Monday is a holiday) every week from 9:00 a.m. to 15:00 p.m. in a designated method.

2. The Association shall publicize the status of the Borrowing and Lending Transactions of Share Certificates, etc. that is reported by Regular Members pursuant to the preceding Paragraph without delay.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) These Rules are based on the version in effect as of January 1, 2019.

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.
