

RULES CONCERNING ACCEPTANCE, ETC. OF DEPOSIT OF SECURITIES

(November 14, 1974)

CHAPTER I. GENERAL PROVISIONS

(Purpose)

Article 1 The purpose of the Rules Concerning Acceptance, Etc. of Deposit of Securities (hereinafter referred to as “Rules”) is to ensure appropriate management of customers (including depositors under contract of deposit for consumption; the same shall apply hereinafter) by Association Members, by prescribing matters relating to acceptance by an Association Member of a deposit from a customer of securities, a report to a customer, and reconciliation of the balance of credits and liabilities (for Special Members, limited to matters relating to business under registration prescribed in the provisions of Article 33-2 of the Financial Instruments and Exchange Act [hereinafter referred to as “FIEA”] (hereinafter referred to as “Registered Financial Institution Business”), and for Specified Business Members, limited to matters relating to Specified Business (which means the business set forth in Article 5, Item 2 (a), (b), or (c) of the Articles of Association; the same shall apply hereinafter)).

(Restrictions on Acceptance, Etc. of Deposit of Securities)

Article 2 A Regular Member must not accept from a customer, etc., the deposit of securities except for cases set forth in each of the following Items:

- (1) Where deposit of securities is made under a simple deposit contract;
- (2) Where deposit of securities is made under a mandate contract;
- (3) Where deposit of securities is made under a commingled deposit contract (limited to a commingled deposit contract relating to bonds and investment trusts beneficiary certificates, transfer settlement to be conducted by the Japan Securities Depository Center Inc., a Financial Instruments Exchange and a settlement house, and sale and purchase or other transactions in foreign securities and foreign certificates);
- (4) Where the depositor is a pledgee; or
- (5) Where deposit of securities is made under the contract of deposit for consumption.

CHAPTER II. SAFE CUSTODY CONTRACT

(Conclusion of Contract)

Article 3 In the case that a Regular Member accepts from a customer the deposit of securities under a simple deposit contract or a commingled deposit contract, the Regular Member must conclude with the said customer a contract concerning the deposit of securities (hereinafter referred to as “Safe Custody Contract”) under the terms and conditions of the safe custody master agreement.

2. Each of the following Items must be included in the safe custody master agreement set forth in the

preceding Paragraph; provided, however, that this shall not be applied with regard to the Items which are not necessarily included in Safe Custody Contract with a customer in the consideration of the business scope, etc., of the Regular Member:

- (1) The method and location of keeping securities to be held in custody;
 - (2) Matters agreed to by the customer regarding commingled custody, etc.;
 - (3) Treatment of bonds in the case of redemption by lot;
 - (4) Matters to be reported and procedures for reporting changes in those matters;
 - (5) Treatment in the account of securities in custody;
 - (6) Treatment of pledge;
 - (7) Treatment of notifications, etc. to the actual shareholders, etc.;
 - (8) Matters to be notified to the customer;
 - (9) Explanation of agency services, etc. for name transfer, etc.
 - (10) Matters related to the receipt of redemption payments, etc. on the customer's behalf;
 - (11) Handling of the restitution and return of securities held in custody or its equivalent;
 - (12) Administration fee for safe custody;
 - (13) Matters related to the cancellation of safe custody contract;
 - (14) Matters related to exemptions; and
 - (15) Procedures for revising the safe custody master agreement.
3. In case a Regular Member intends to conclude with a customer Safe Custody Contract pursuant to the provisions of Paragraph 1, the Regular Member must receive an application for opening a safe custody account (hereinafter referred to as "Account") submitted by the customer, stating that the customer applies for opening the Account.
 4. In case a Regular Member has received from a customer an application for opening the Account pursuant to the provisions of the preceding Paragraph and accepted it, the Regular Member shall open the Account and notify the said customer to that effect without delay.

(Handling of Bonds Redeemable by Lot)

Article 4 In the case that a Regular Member accepts from a customer under a commingled deposit contract the deposit of bonds redeemable by lot, the Member must establish internal rules prescribing the method, etc. of the selection of the bond holders whose bonds are to be redeemed and the amount of redemption if the said bonds have won redemption by lot.

2. In the case that a Regular Member accepts from a customer under a commingled deposit contract the deposit of bonds redeemable by lot, the Regular Member shall obtain the consent of the said customer in advance on the internal rules mentioned in the preceding Paragraph.

(Treatment of Deposited Securities in the Account)

Article 5 In the case that a Regular Member has opened an Account pursuant to the provisions of Article 3, Paragraph 4, the Member must perform all receipts, custody and deliveries of the securities deposited by the said customer under a simple deposit contract or a commingled deposit contract within the Account.

(Exception from Application)

Article 6 The provisions of this Chapter II shall not apply to the matters set forth in each of following Items:

- (1) Deposit of securities under an accumulative investment contract and a standing proxy contract; and
- (2) Deposit of securities under the sale and purchase or other transactions of securities set forth hereunder;
 - (a) Securities that are prescribed in Article 2, Paragraph 1, Item 15 of the FIEA;
 - (b) Rights that are recognized as securities pursuant to the provisions of Article 2, Paragraph 2 of the FIEA (excluding those set forth in (c) hereunder); and
 - (c) Foreign securities that are prescribed in Article 2, Paragraph 1, Item 1 of “Rules Concerning Foreign Securities Transactions”.

Article 6-2 The provisions of Articles 2, 3, and 5 herein shall apply *mutatis mutandis* respectively to cases where a Regular Member receives a deposit of securities or certificates issued for instruments deposited as set forth in Article 2, Paragraph 8, Item 16 of the FIEA. In such cases, “securities” shall be replaced with “securities or certificates issued for instruments deposited as set forth in Article 2, Paragraph 8, Item 16 of the FIEA.”

CHAPTER III. ENTRUSTMENT CONTRACT, CONTRACT OF DEPOSIT FOR CONSUMPTION, ETC.

(Standing Proxy Contract)

Article 7 In case a Regular Member is entrusted by a customer with administration relating to standing proxy service concerning securities, the Regular Member must obtain from the said customer a document proving the proxy (hereinafter referred to as “Power of Attorney”).

(Contract of Deposit for Consumption)

Article 8 In case a Regular Member accepts from a customer, etc., the deposit of securities under the contract of deposit for consumption, the Member must prepare a document proving the said contract (hereinafter referred to as “Contract”) in duplicate and deliver one copy thereof to the said customer and retain the other copy.

2. Notwithstanding the provisions of the preceding Paragraph, in case a Regular Member accepts from a customer the deposit of any share certificates, etc. under contract of deposit for consumption, the Regular Member shall comply with “Rules Concerning Handling of Lending Transaction for Share Certificates, Etc.”

CHAPTER IV. NOTICE OF RECONCILIATION AND DOCUMENT TO BE DELIVERED UPON CONCLUSION OF CONTRACT

(Report by Notice of Reconciliation)

Article 9 A Regular Member must report to a customer on the balance of credits and liabilities for the said customer by a notice of reconciliation in such category and at such frequency as prescribed in each Item below; provided, however, that this shall not apply to the case where the customer is one to whom a transaction balance statement, which is prescribed in Article 98, Paragraph 1, Item 3 (a) of the Cabinet Office Ordinance on Financial Instruments Business, Etc. [hereinafter referred to as “FIBCOO”], (hereinafter referred to as “Transaction Balance Statement”) is delivered regularly, and the Transaction Balance Statement includes the matters set forth in each Item of the following Paragraph.

(1) Customers who conduct the sale and purchase or other transactions of securities.

Once a year or more

(2) Customers who conduct the transactions listed below:

(a) Securities-related derivative transactions (the securities-related derivative transactions as prescribed in Article 3, Item 7 (b) of the Articles of Association; the same shall apply hereinafter); and

(b) Specified over-the-counter derivative transactions (the specified OTC derivative transactions as prescribed in Article 3, Item 7 of the Articles of Association; the same shall apply hereinafter).

(c) Commodity-Related Market Transactions of Derivatives (the Commodity-Related Market Transactions of Derivatives as prescribed in Article 2, Paragraph 8, Item 1 of the FIEA; the same shall apply hereinafter).

Twice a year or more

(3) Customers with a positive balance of money or securities who have not conducted deliveries or transactions set forth in the preceding Item 2 for one year or more;

From time to time

2. The details (excluding those relating to the cashing of MMFs and medium-term government bond funds, etc.) listed in each of the following Items shall be stated in the notice of reconciliation prescribed in the preceding Paragraph:

(1) Latest balance of advance money, loaned money, deposited money, or borrowed money;

(2) Latest balance of securities deposited under a simple deposit contract, a mandate contract, a commingled deposit contract or a contract of deposit for consumption and securities administered as records in a transfer account or registration, etc. (excluding those that are set forth in the next Item);

(3) Latest balance of money or securities as the object of pledge;

(4) Latest balance of outstanding account relating to margin transactions;

(5) Latest balance of securities relating to “when-issued” transactions; and

(6) Latest balance of outstanding account relating to Securities-Related Derivatives Transactions, Specified OTC Derivatives Transactions, and Commodity-Related Market Transactions of Derivatives

3. The latest balance of an outstanding account relating to margin transaction listed in Item 4 of the preceding Paragraph or an outstanding account relating to Securities-Related Derivatives Transactions, etc., listed in Item 6 of the preceding Paragraph may be omitted in case the said notice of reconciliation is delivered at the same time as the notice relating to margin transaction (including the notice set forth in Article 46 of the Rules Concerning Foreign Securities Transactions) or the notice relating to Securities-Related Derivatives Transactions, etc., required by a Financial Instruments Exchange or the Association.
4. Notwithstanding the provisions of Paragraph 1, in case a customer is professional investor (meaning the professional investor prescribed in Article 2, Paragraph 31 of the FIEA (excluding those who are recognized as customers other than professional investors under the provisions of Article 34-2, Paragraph 5 of the FIEA but including those who are recognized as professional investors under the provisions of Article 34-3, Paragraph 4 of the FIEA (including cases to which the provisions of Article 34-4, Paragraph 6 shall apply *mutatis mutandis*)); the same shall apply hereinafter) and also in case a Regular Member has established a system which enables a prompt reply to the said customer about the latest balance of the money or securities set forth in each Item of Paragraph 2, the Regular Member is allowed not to make a report.
5. Notwithstanding the provisions of Paragraph 2, when matters listed in any of the Items of Paragraph 2 is stated in the document listed in the following Items, a Regular Member is allowed to omit recording of the matter in a notice of reconciliation.

(1) Document to be Delivered upon Conclusion of Contract (which refers to the Document to be Delivered upon Conclusion of Contract under the provisions of Article 95, Paragraph 1, Item 5 of FIBCOO; the same shall apply hereinafter) relating to individual derivative transactions (which refer to the transactions set forth in Paragraph 1, Item 2 hereof; the same shall apply in the remainder of this Paragraph) (limited to a document delivered to a customer).

(2) Contract in which terms on the relevant derivative transaction, etc. are stated (limited to a contract with a customer)

(Report in Case of No Balance)

Article 10 In making a report to a customer pursuant to the provisions of the preceding Article, if there is no balance of money and securities listed in each Item of Paragraph 2 thereof but there was outstanding balance at the time of or within less than a year after the most recent report, a Regular Member must make a report to the said customer by the notice of reconciliation to the effect that there is no balance at present.

(Preparation and Delivery of Notice of Reconciliation)

Article 11 The notice of reconciliation shall be prepared in a Regular Member's inspection, auditing, or administration department.

2. A Regular Member must conspicuously indicate the matters set forth in the following Items on the notice of reconciliation to be delivered to a customer. With regard to the notice of reconciliation concerning the Registered Financial Institutions' financial instrument intermediary conduct (which refers to the conduct set forth in Article 33, Paragraph 2, Item 3 (c) and Item 4 (b) of the FIEA) of a Special Member, the Special Member may indicate the responsible person in the Special Member's inspection, auditing, or administration department, in addition to the contact information under the provisions of Paragraph 3,

on the same notice of reconciliation:

- (1) A customer shall, upon receipt of the notice of reconciliation, confirm the contents of the descriptions therein.
 - (2) In case there is a mistake in or a doubt about the descriptions of the notice of reconciliation, an inquiry shall be made directly to the responsible person in a Regular Member's inspection, auditing, or administration department without delay.
 - (3) Contact information relating to the preceding Item.
3. In case a Regular Member delivers the notice of reconciliation to a customer, the Regular Member must mail it to the address or the location of the office of the said customer, or the place designated by the said customer.
 4. Notwithstanding the provisions of the preceding Paragraph, in case the notice of reconciliation is ready for immediate delivery to a customer and it is delivered directly to the said customer over the counter or the said customer makes a particular request on the delivery method, a Regular Member may make the arrangement under the provisions of the Detailed Rules.
 5. In case a Regular Member's Chief Manager (this refers to a responsible person in sales, inspection, auditing or administration department to be appointed in each business office or office; the same shall apply hereinafter) has brought the notice of reconciliation to the address or the office of a customer and delivered it directly to the said customer, the notice of reconciliation shall be deemed to have been delivered by mail. In this case, the Chief Manager must promptly receive from the said customer a reply to the notice of reconciliation.
 6. In case a Regular Member has delivered the notice of reconciliation to a customer, the Regular Member must record the date of delivery and the method of delivery in an outgoing letter book or other record, so that the fact of delivery of the notice of reconciliation may be readily confirmed.

(Reply to Inquiry from Customer)

Article 12 In case a Regular Member has received an inquiry from a customer about the balance of money or securities listed in each Item of Paragraph 2 of Article 9 (referred to "Balance of Securities, etc." in Paragraph 3 hereof), the Regular Member must make a reply without delay to the said customer about the balance.

2. In case the inquiry described in the preceding Paragraph is related to the Financial Instruments Intermediary Service (as prescribed in Article 1, Paragraph 4, Item 13 of FIBCOO; the same shall apply hereinafter), a Regular Member shall, when necessary, request a Special Member in charge of the Financial Instruments Intermediary Service on a consignment basis or a Financial Instruments Intermediary Service Provider to make a report and shall investigate.
3. The acceptance of an inquiry from a customer about the Balance of Securities, etc. or the reply to such an inquiry shall be made by a Regular Member's inspection, auditing, or administration department.

(Report by Document to be Delivered upon Conclusion of Contract)

Article 13 The provisions of Paragraphs 2, 3, 4, and 6 of Article 11 shall apply *mutatis mutandis* to the preparation and delivery of the document to be delivered upon Conclusion of Contract.

2. In case a customer is a juridical person or an organization equivalent thereto, if the Chief Manager or an authorized employee by the Chief Manager of a Regular Member has brought a document to be delivered

when Conclusion of Contract to the office of the said customer and delivered it directly to the said customer, the document concerned shall be deemed to have been delivered by mail.

3. The provisions of Paragraph 3 of the preceding article shall apply *mutatis mutandis* to the acceptance of and reply to an inquiry from a customer about the sale and purchase or other transactions of securities and Securities-Related Derivatives Transactions, Specified OTC Derivatives Transactions, and Commodity-related Market Derivative Transactions.

CHAPTER V. DELIVERY, ETC. OF DOCUMENTS USING ELECTROMAGNETIC METHODS

(Delivery, Etc. using Electromagnetic Methods)

Article 14 In substitution for the delivery of the following documents, based on “Rules Concerning the Treatment of Submission, Etc. of Documents Using Electromagnetic Methods”, a Regular Member may use methods employing electronic information processing systems or other information technologies to provide the matters to be recorded in the documents for the customers. In such a case, the Regular Member shall be regarded as having submitted the following documents:

- (1) Contract prescribed in Article 8;
 - (2) The notice of reconciliation prescribed in Article 9, Paragraph 1;
 - (3) Document to be Delivered upon Conclusion of Contract; and
 - (4) Contract prescribed in Article 9, Paragraph 5, Item 2.
2. In substitution for the collection of the following documents, based on the Rules Concerning the Treatment of Submission, Etc. of Documents Using Electromagnetic Methods, a Regular Member may use methods employing electronic information processing systems or other information technologies to collect the matters to be recorded in the documents. In such a case, the Regular Member shall be regarded as having collected, etc., the following documents.
 - (1) The application form for opening a safe custody Account prescribed in Article 3, Paragraph 3;
 - (2) Power of Attorney prescribed in Article 7; and
 - (3) The reply to notice of reconciliation prescribed in Article 11, Paragraph 5 and the Detailed Rules.

(Concluding Contracts using Electromagnetic Methods)

Article 15 In substitution for a written contract of deposit for consumption prescribed in Article 8, based on the Rules Concerning the Treatment of Submission, Etc. of Documents Using Electromagnetic Methods, a Regular Member may use methods employing electronic information processing systems or other information technologies to conclude the contract of deposit for consumption. In such a case, the Regular Member shall be regarded as having concluded the contract of deposit for consumption in writing.

CHAPTER VI. SPECIAL MEMBER

(Application of *Mutatis Mutandis* to Special Member)

Article 16 The provisions of Articles 2 through 6-2, Paragraph 1 of Article 8, and Articles 10 through 15 (excluding proviso of Paragraph 2 of Article 11) shall apply *mutatis mutandis* respectively to Special Members. In this case, the term “Regular Member” in these provisions shall be replaced with “Special Member,” and the term “securities” in Article 2 replaced with “securities relating to Registered Financial Institution Business.” The term “safe custody master agreement” in Article 3 shall be replaced with “safe custody rules prescribed in the document stating the method of conducting Registered Financial Institution Business.” The term “the preceding Article” in Article 10 shall be replaced with “Article 17.” The Term “business office or office” in Article 11 shall be replaced with “business office or office where Registered Financial Institution Business is conducted.” The terms “Article 9” and “a Special Member or a Financial Instruments Intermediary Service Provider” referred to in Article 12 shall be replaced with “Article 17” and “a Financial Instruments Intermediary Service Provider,” respectively. In Article 14, the term “Article 9, Paragraph 1” shall be replaced with “Article 17, Paragraph 1” and the term “Article 9, Paragraph 5, Item 2” shall be replaced with “Article 17, Paragraph 6, Item 2.”

(Report by Notice of Reconciliation)

Article 17 A Special Member must report to a customer by a notice of reconciliation in such category and at such frequency set forth in each of the following Items; provided, however, that this shall not apply to the case where the customer is the one to whom a Transaction Balance Statement is delivered regularly or who is notified in the form of transaction book, and also the Transaction Balance Statement or the transaction book includes the matters set forth in each of the Items of the following Paragraph.

(1) Customers who conduct the transactions listed below:

- (a) Securities-related market derivative transactions (the market derivative transactions and the foreign market derivative transactions, both related to securities set forth in Article 33, Paragraph 2, Items 1 through 3 of the FIEA (excluding rights set forth in each Item of Article 2, Paragraph 2 of the FIEA that are regarded as securities pursuant to the provision of Article 2, Paragraph 2): the same shall apply hereinafter);
- (b) Transactions in bonds with options;
- (c) Securities-Related OTC Derivatives Transactions (the transactions set forth in Article 33, Paragraph 2, Item 5 of the FIEA (excluding rights set forth in each Item of Article 2, Paragraph 2 of the FIEA that are regarded as securities pursuant to the provision of Article 2, Paragraph 2); the same shall apply hereinafter);
- (d) Specified OTC Derivatives Transactions; and
- (e) Commodity-Related Market Transactions of Derivatives.

Twice a year or more

(2) Customers who have a positive balance of securities concerning Registered Financial Institution Business (excluding customers who conduct the transactions listed in the preceding Item)

Once a year or more

(3) Customers who have a positive balance of money or securities concerning Registered Financial Institution Business and who have not conducted deliveries or transactions set forth in Item 1 for one year or more

From time to time

2. Those matters relating to Registered Financial Institutions Business, which are set forth in each of the following Items, shall be stated in the notice of reconciliation prescribed in the preceding Paragraph:
 - (1) Latest balance of advance money or deposited money;
 - (2) Latest balance of securities deposited under a simple deposit contract, a mandate contract or a commingled deposit contract or securities administered as records in a transfer account or registration, etc. (excluding Items 3 through 6);
 - (3) Latest balance of margin and collateral securities for securities-related market derivatives transactions and Commodity-Related Market Transactions of Derivatives;
 - (4) Latest balance of cash collateral or collateral securities for Securities-Related OTC Derivatives Transactions (limited to the ones for the relevant transactions);
 - (5) Latest balance of margin and collateral securities for transactions in bonds with options;
 - (6) Latest balances of cash collateral and collateral securities for Specified OTC Derivatives Transactions (limited to the ones relating to the relevant transactions); and
 - (7) Latest balance of outstanding account relating to transactions in bonds with options, Securities-related Market Derivative transactions, Securities-Related OTC Derivative Transactions, Specified OTC Derivative Transactions, or Commodity-Related Market Transactions of Derivatives.
3. With regard to the latest balances of margin and collateral securities for Specified OTC Derivatives Transactions set forth in Item 6 of the preceding Paragraph, in case a Special Member has delivered a document in which these balances are stated, the Special Member may omit the relevant reporting in the notice of reconciliation.
4. The latest balance of an outstanding account relating to securities-related market derivatives transactions set forth in Paragraph 2, Item 7 may be omitted in case the notice of reconciliation concerned is delivered at the same time as the notice relating to Securities-Related Derivatives Transactions prescribed by a Financial Instruments Exchange or the Association.
5. Notwithstanding the provisions in Paragraph 1, in case a customer is a professional investor and in case a Special Member has established a system which enables a prompt reply to the said customer about the latest balance of the money or securities set forth in each Item of Paragraph 2, the Special Member is allowed not to make a report.
6. Notwithstanding the provisions of Paragraph 2, in case matters listed in any of the Items of Paragraph 2 is stated in the document listed in each of the following Items, a Special Member is allowed to omit recording of the matter in a notice of reconciliation:
 - (1) Document to be Delivered upon Conclusion of Contract (limited to one delivered to a customer) concerning individual derivative transactions (which refer to transactions set forth in Paragraph 1, Item 1- (a), (c) and (d); the same shall apply in the remainder of this Paragraph);
 - (2) Contract in which terms on the relative derivative transactions, etc. are stated (limited to one with a customer).

(Delivery using Electromagnetic Methods)

Article 18 In substitution for the delivery of the documents prescribed in Paragraph 3 of the preceding Article, under the provisions of Rules Concerning Submission, Etc. of Documents Using Electromagnetic Methods, Special Members may use methods employing electronic information processing systems or other information technologies to provide the matters to be recorded in the documents concerned. In such a case, the Special Members concerned shall be regarded as having submitted the documents concerned.

CHAPTER VII. SPECIFIED BUSINESS MEMBER

(Application *Mutatis Mutandis* to Specified Business Member)

Article 19 The provisions of Articles 2, 3, 5, 6-2 and Articles 10 through 14 (excluding provisions of Article 11, proviso of Paragraph 2, and Paragraph 1, Item 1, and Paragraph 2, Item 2 of Article 14) shall apply mutatis mutandis to Specified Business Members. In this case, the term “Regular Member” in these provisions shall be changed to read “Specified Business Member,” the term “securities” in Article 2 to read “securities concerning Specified Business.” The phrase “Where the depositor is a pledgee” in Article 2, Item 4 shall be changed to read “Where the depositor is a pledgee (limited to those who conduct only the business prescribed in Article 5, Item 2 (a) or (c) of the Articles of Association).” The term “the preceding Article” in Article 10 shall be changed to read “Article 20.” The term “business office or office” in Article 11 shall be changed to read “business office or office where Specified Business is conducted.” The term “Article 9” in Article 12 shall be changed to read “Article 20.” In Article 14, the term “Article 9, Paragraph 1” shall be changed to read “Article 20, Paragraph 1” and the term “Article 9, Paragraph 5, Item 2” shall be changed to read “Article 20, Paragraph 4, Item 2.”

(Report by Notice of Reconciliation)

Article 20 A Specified Business Member must report to a customer by a notice of reconciliation in such category and at such frequency as prescribed in each Item below; provided, however, that this shall not apply to the case where the customer is one to whom a Transaction Balance Statement is delivered regularly and also the Transaction Balance Statement includes the Items set forth in the Items of the following Paragraph:

- (1) Customers who conduct the sale and purchase or other transactions of securities;

Once a year or more

- (2) Customers who conduct Specified OTC Derivatives Transactions or Commodity-Related Market Transactions of Derivatives;

Twice a year or more

- (3) Customers who have a positive balance of securities concerning the business set forth in Article 5, Item 2 (a) or (c) of the Articles of Association (excluding customers who conduct the transactions listed in the preceding two Items);

Once a year or more

- (4) Customers who have a positive balance of money or securities concerning Specified Business and who have not conducted deliveries or transactions set forth in Item 1 or Item 2 for one year or more.

2. The notice of reconciliation prescribed in the preceding Paragraph shall include the matters relating to Specified Business as set forth in each Item below:
 - (1) Latest balances of advance money and deposited money;
 - (2) Latest balances of Margin and collateral securities for Specified OTC Derivatives Transactions (limited to those for the relevant transactions);
 - (3) Latest balance of margin and collateral securities for Commodity-Related Market Transactions of Derivatives; and
 - (4) Latest balance of outstanding account relating to Specified OTC Derivative Transactions or Commodity-Related Market Transactions of Derivatives.
3. Notwithstanding the provisions in Paragraph 1, in case a customer is a professional investor and in case a Specified Business Member has established a system which enables a prompt reply to the said customer about the latest balance of the money or securities set forth in each Item of the preceding Paragraph, the Specified Business Member is allowed not to report to the said customer.
4. Notwithstanding the provisions of Paragraph 2, in case a matter listed in any of the Items of Paragraph 2 is stated in the document listed in the following Items, a Specified Business Member is allowed to omit recording of the matter in a notice of reconciliation:
 - (1) Document to be Delivered upon Conclusion of Contract (limited to that delivered to a customer) concerning Specified Business; and
 - (2) Contract in which the terms of the relevant Specified OTC Derivative Transactions or Commodity-Related Market Transactions of Derivatives, constituting part of the business prescribed in the preceding Item, are stated (limited to the contract between a person conducting the business prescribed in Article 5, Item 2 (a) or (c) of the Articles of Association and a customer).

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) This amendment comes into effect as of July 1, 2022.

<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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