Report/Dissemination System for Information of Corporate Bond Transactions

April 1, 2021

<Purpose of this system>
When Japan had no system for disseminating execution prices of OTC corporate bond transactions, it was difficult for third parties other than the parties to the transactions to know such transaction prices.

The price information of OTC corporate bond transactions currently available in Japan include, for example, reference statistical prices (yields) disseminated by Japan Securities Dealers Association (“JSDA”) and price data disclosed by information vendors or other organizations. However, these are prices calculated or estimated based on quotations or the like and they are not prices of transactions actually executed.

In the report entitled “Toward Vitalization of the Corporate Bond Market” released on July 30, 2012, the Study Group to Vitalize the Corporate Bond Market recommended JSDA to disseminate post-trade bond information with the aim of vitalizing the Japanese corporate bond market. In line with this recommendation, JSDA directed the Working Group on Development of Infrastructure for Disseminating Corporate Bond Price Information to conduct studies. Based on these studies, JSDA decided to establish a system for dissemination of information on corporate bond transactions, as an unprecedented approach in Japan, and to launch this system from November 2, 2015.

Points to note
JSDA's dissemination of transaction information does not guarantee that JSDA members will execute their corporate bond transactions with other members or their customers based on the transaction information disseminated by JSDA.

<Outline of this system>
1. Outline of the system for reporting information on corporate bond transactions

In order for JSDA to disseminate information on corporate bond transactions, what JSDA has to do first is to receive information on corporate bond transactions from trading members. Therefore, JSDA imposes on securities firms acting as one of the parties to respective transactions the duty to report their execution of corporate bond transactions to JSDA in accordance with its rules, the “Rules Concerning Publication of Over-the-Counter Trading Reference Prices, etc. and Trading Prices of Bonds.”

(1) Transactions to be reported
Corporate bonds satisfying all the requirements of (i) to (iv) below are required to be reported if their transaction is executed.

(i) The corporate bonds constitute corporate bond certificates specified in Article 2,
paragraph (1), item (v) of the Financial Instruments and Exchange Act (the “FIEA”), including rights regarded as securities under Article 2, paragraph (2) of the FIEA (excluding those listed in the foregoing items).

(ii) The public offering or secondary distribution of the corporate bonds is conducted in Japan.

(iii) The corporate bonds are issued in Japan.

(iv) The principal, interest, and redemptions of the corporate bonds are denominated in Japanese yen.

This duty to report does not apply to Private Placement Bonds, Yen-denominated Foreign Bonds, and the like. In addition, the following types of corporate bonds are excluded from the scope of reportable corporate bonds even when they satisfy all the requirements of (i) to (iv): short-term corporate bonds, corporate bonds with share options, and corporate bonds issued by the government agencies listed in the Fiscal Investment and Loan Program (FILP) published by the Ministry of Finance each fiscal year which issue is conducted within the same fiscal year.

Transactions required to be reported are transactions of corporate bonds, excluding corporate bond transactions with repurchase agreements and the Bank of Japan’s outright purchases of corporate bonds.

(2) Members required to report

Securities firms which have executed transactions of reportable corporate bonds are required to report such transactions to JSDA. If, however, a securities firm uses the Pre Settlement Matching System (PSMS) operated by Japan Securities Depository Center, Incorporated (JASDEC) for trade matching for corporate bond transactions, the securities firm will be deemed to have reported its corporate bond transactions to JSDA when transmitting a trade matching notice for those transactions to the PSMS. Therefore, corporate bond transactions processed through the PSMS for trade matching are not reported by securities firms directly to JSDA. In this case, the information on such transactions is obtained by JSDA from JASDEC.

(3) Information to be reported

The information on corporate bond transactions obtained by JSDA from securities firms or JASDEC covers the items listed in (i) to (vii) below.

(i) ISIN code
(ii) Contract date
(iii) Settlement date
(iv) Contract price per unit (meaning the contract price per 100 yen in face value, inclusive of accrued interest if executed at a dirty price)
(v) Trading volume (recognized based on the face value)
(vi) Buy/Sell indicator
(vii) Code identifying the securities firm making a report (Securities company, etc. standard code.)

(4) Reporting deadline; reporting method

The deadlines and methods for reporting corporate bond transactions are designated separately for transactions processed through JASDEC’s PSMS for trade matching (“Transactions Reported via JASDEC”) and other transactions reported by securities firms directly to JSDA (“Directly Reported Transactions”). This arrangement is intended to enable JSDA to receive reports on corporate bond transactions on the same day for their execution to the extent possible.

With regard to Transactions Reported via JASDEC, the transaction data transmitted to JASDEC’s PSMS from the previous business day at 4:45 pm to the current business day at 4:45 pm is supposed to be received by JSDA from JASDEC by the current business day at 5:15 pm.

With regard to Directly Reported Transactions, the transactions processed (or approved) in applicable systems from the previous business day at 3:00 pm to the current business day at 3:00 pm are reported by securities firms to JSDA by the current business day at 5:15 pm. For the purpose of reducing the burden of reporting on the part of securities firms, JSDA allows them to choose monthly reporting, rather than daily reporting, with regard to transactions not covered by the scope of JSDA’s dissemination of information on corporate bond transactions (i.e., transactions for which the face value per contract is less than 100 million Japanese yen), on condition that the securities firms choosing monthly reporting must notify the JSDA in advance. In this case, the securities firms report transactions executed in each calendar month to JSDA by the 20th day of the following calendar month. In addition, reporting to JSDA may be omitted if the face value of a trading volume falls below 10 million Japanese yen. Whether to adopt monthly reporting or omit reporting in this way depends on the discretion of each securities firm (Figure 1).

<Figure 1> How to report Directly Reported Transactions

<table>
<thead>
<tr>
<th>Trading volume</th>
<th>Reporting method</th>
<th>Face value of not less than 100 million yen</th>
<th>Face value of less than 100 million yen</th>
<th>Face value of less than 10 million yen</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard rule: daily</strong></td>
<td>Daily reporting is required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exceptional rule (i): monthly</strong></td>
<td>Exceptional rule (i) cannot apply (daily reporting is required)</td>
<td>Monthly reporting is allowed, subject to prior notification to JSDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exceptional rule (ii): non-reporting</strong></td>
<td>Exceptional rule (ii) cannot apply (reporting cannot be omitted)</td>
<td>Reporting may be omitted</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Outline of the system for dissemination of information on corporate bond transactions

JSDA extracts the transactions of corporate bonds falling within the scope of dissemination from the information on corporate bond transactions reported by securities firms and disseminates the selected information every business day.

(1) Corporate bond transactions to be disseminated

For the corporate bonds that fall under either of the two items below (hereinafter referred to as “Dissemination Criteria”), the JSDA disseminates the transaction information pertaining to those for which the trading volume per contract is not less than 100 million Japanese yen in face value:

(i) Credit rating for the bonds is “AA or equivalent” or higher; or

(ii) Credit rating for the bonds is “A or equivalent” (excluding “A-”) and the amount of issuance is not less than 50 billion yen (excluding subordinated corporate bonds and corporate bonds with remaining maturity of 20 years or more).

Note 1: “Credit rating for the bonds” means ratings (excluding unsolicited ratings) obtained from credit rating agencies (as defined in Article 2, paragraph (36) of the FIEA).

Note 2: Having a “credit rating of ‘AA or equivalent’ or higher” means that the relevant bonds have acquired a rating of equivalent to AA or higher from one or more credit rating agencies.

Note 3: Having a “credit rating of ‘A or equivalent’ (excluding ‘A-’)” means that the highest rating that the relevant bonds have acquired from a credit rating agency is A+, A1, A, or A2.

Note 4: “Corporate bonds with remaining maturity of 20 years or more” means bonds with a due date at least 20 years later than the date following the review date set forth in 2. (4) herein.

Notwithstanding the above, for corporate bonds whose rating has been lowered from AA or equivalent to A or equivalent (excluding A-), this means—until the publication of transaction information of such bonds regarding the first review date after the said rating lowering—those that reach maturity in 20 years or more starting from the date following the date when the bonds’ rating was lowered.

(2) Information to be disseminated

The information on corporate bond transactions disseminated by JSDA consists of the particular items listed in (i) to (ix) below. Contract prices as referred to in (vii) are indicated in accordance with the following rules. When there are multiple contracts executed for the same issue, their contract prices are indicated in descending order. When there are multiple contracts executed at the same price for the same issue, those contract prices are indicated one by one, without putting them all together, so that the data bearing the same contract price is shown repeatedly in the number of contracts executed.
(i) Contract date
(ii) Issue code
(iii) Issue name
(iv) Due date (redemption date)
(v) Coupon rate
(vi) Trading volume (recognized based on the face value; showing either “≤500 million or more” or “less than 500 million”)
(vii) Contract price (execution price per 100 yen in face value)
(viii) Buy/Sell indicator
(ix) Reference statistical price (Average Price of the unit prices) indicated for reference purposes (solely for the issues for which the contract date and the same day’s reference statistical prices (yields) are disseminated)

(3) Time for dissemination; method of dissemination

The information reported by securities firms is disseminated on JSDA’s website on the business day immediately following the business day on which JSDA receives the reports, in principle, around 9:00 am (Figure 2, Figure 3).

<Figure 2> Format for disseminating the information on corporate bond transactions

<table>
<thead>
<tr>
<th>Code*1</th>
<th>Issues</th>
<th>Due date</th>
<th>Coupon Rate</th>
<th>BUY/SELL indicator*2</th>
<th>Traded Amount (face value) 500 million yen or over</th>
<th>Traded Amount (face value) less than 500 million yen</th>
<th>Traded Price (Yen)</th>
<th>(Reference) Statistical Prices (average)*3</th>
</tr>
</thead>
<tbody>
<tr>
<td>00009XXXX</td>
<td>A Trust and Banking Corporation9</td>
<td>20XX/04/28</td>
<td>1.XXX</td>
<td>BUY</td>
<td>✓</td>
<td>104.40</td>
<td>104.87</td>
<td></td>
</tr>
<tr>
<td>00512XXXX</td>
<td>B Electric Power Company, Incorporated512</td>
<td>20XX/07/25</td>
<td>0.XXX</td>
<td>SELL</td>
<td>✓</td>
<td>94.347</td>
<td>93.94</td>
<td></td>
</tr>
</tbody>
</table>

*1 The last 8 digits of Code are the same as Bond Code set by Securities Identification Co de Committee (http://www.jpx.co.jp/sicc/sicc_en/index_en.html). 0 is set in the first 1 digit of Code in principle.
*2 BUY/SELL indicator indicates purchase or sale made by a counterparty of Association Member which reported the trade.
*3 Reference Statistical Prices (average) are the average of mid indicative value reported by Designated-Reporting Members to provide market participants with a reference for trading bonds involving an amount of around 500 million yen in face value as of 3:00 p.m. on the trade day.
Trade date: 20XX/11/07

<table>
<thead>
<tr>
<th>Code*1</th>
<th>Issues</th>
<th>Due date</th>
<th>Coupon Rate</th>
<th>BUY/SELL indicator*2</th>
<th>Traded Amount (face value) 500 million yen or over</th>
<th>Traded Amount (face value) less than 500 million yen</th>
<th>Traded Price (Yen)</th>
<th>(Reference) Statistical Prices (average)*3</th>
</tr>
</thead>
<tbody>
<tr>
<td>07006XXXX</td>
<td>A International Airport Corporation6</td>
<td>20XX/02/20</td>
<td>1.XXX</td>
<td>BUY</td>
<td>√</td>
<td>101.933</td>
<td>101.88</td>
<td></td>
</tr>
<tr>
<td>00010XXXX</td>
<td>B INDUSTRY CO._LTD.10</td>
<td>20XX/02/28</td>
<td>0.XXX</td>
<td>SELL</td>
<td>√</td>
<td>100.025</td>
<td>99.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>99.958</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>99.958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00005XXXX</td>
<td>C Holdings Limited5</td>
<td>20XX/06/02</td>
<td>0.XXX</td>
<td>BUY</td>
<td>√</td>
<td>100.00</td>
<td>99.66</td>
<td></td>
</tr>
</tbody>
</table>

*1 The last 8 digits of Code are the same as Bond Code set by Securities Identification Code Committee (http://www.jpx.co.jp/sicc/sicc_en/index_en.html). 0 is set in the first 1 digit of Code in principle.

*2 BUY/SELL indicator indicates purchase or sale made by a counterpart of Association Member which reported the trade.

*3 Reference Statistical Prices (average) are the average of mid indicative value reported by Designated-Reporting Members to provide market participants with a reference for trading bonds involving an amount of around 500 million yen in face value as of 3:00 p.m. on the trade day.

<i>Figure 3</i> Transactions to be disseminated within the same day (example)

<i>&lt; Transactions to be disseminated on October 3, 20XX &gt;</i>

(i) By October 2 at 5:15 pm, JSDA receives the information on the same day's corporate bond transactions from securities firms and JASDEC.

(ii) On October 3 at 9:00 am, JSDA disseminates the information on the transactions reported by October 2 at 5:15 pm (Directly Reported Transactions and Transactions Reported via JASDEC).

(iii) The transactions executed on October 2 are classified into those reportable on the same day and those reportable on October 3. The latter include Directly Reported Transactions processed (or approved) in applicable systems after October 2 at 3:00 pm and Transactions...
Reported via JASDEC transmitted to the Pre-Settlement Matching System (PSMS) on October 2 from 4:45 pm to 9:00 pm. The information on these transactions (reportable on October 3) is disseminated on October 4 at 9:00 am.

(4) Updating issues covered by dissemination of transaction information

Since the Dissemination Criteria are based on credit ratings, etc. the selection of corporate bonds covered by JSDA's dissemination of transaction information may vary according to changes in credit ratings, etc. JSDA therefore reviews and updates the selection of issues covered by its dissemination on a monthly basis. The updated list of issues to be covered by JSDA's dissemination is released on the 20th day of the calendar month immediately preceding the month for the dissemination on the latest list (or its immediately following business day if the 20th day of the month falls on a nonbusiness day) on JSDA's website.

The reference date for updating the list of issues (the “Review Date”) is the 15th day of the calendar month preceding the month for dissemination (or its immediately preceding business day if the 15th day of the month falls on a nonbusiness day). Corporate bonds issued and outstanding on the Review Date (excluding corporate bonds to be redeemed by the end of the month for dissemination) are reviewed based on the information available on the Review Date and the list of issues is updated. If any issues are newly incorporated in the updated list, the dissemination of transaction information of those issues will start from the first business day of the month for the dissemination on the latest list (the calendar month immediately following the month in which the Review Date falls).

(5) Suspension of dissemination

If corporate bonds that satisfy the Dissemination Criteria set forth in (1) above on the Review Date face yields surge due to a subsequent credit event and are substantially treated in the market as if they obviously fail to deserve the credit rating set forth in the Dissemination Criteria, it is appropriate to suspend the dissemination of transaction information of such corporate bonds. Therefore, if corporate bonds fall under the criteria for suspending dissemination described in (i) below or suspension of dissemination is decided based on a request for suspension described in (ii) below, even when those corporate bonds formally satisfy the Dissemination Criteria, the dissemination of transaction information of such corporate bonds will be suspended with effect from the business day immediately following the day on which they start to fall under the criteria for suspending dissemination or the suspension of dissemination is decided. If corporate bonds newly added to the list of issues covered by dissemination of transaction information (corporate bonds newly determined to satisfy the Dissemination Criteria on the Review Date) fall under the situations explained above, dissemination of their transaction information will be suspended from the first business day of the calendar month in which the dissemination would otherwise be started.

Corporate bonds under suspension of dissemination are announced on JSDA's website.
(i) Suspension of dissemination based on suspending criteria

If the difference between “the difference between the reference statistical prices of the corporate bonds in question on two consecutive business days” and “the difference between the reference statistical prices of the benchmark JGBs on those two business days” reaches or exceeds a predetermined value, the dissemination of transaction information of this issue will be suspended. More specifically, the calculation formula is shown in Figure 4. To be short, suspension of information dissemination is invoked if a corporate bond spread based on reference statistical prices (yields) surges by a value exceeding a predetermined level.

<Figure 4> Formula for judging suspension of dissemination of transaction information

\[(A - B) - (a - b) \geq X\]

A: Current day’s reference statistical price (yield) of the corporate bonds in question
B: Previous business day’s reference statistical price (yield) of the corporate bonds in question
a: Current day’s reference statistical price (yield) of the benchmark JGBs
b: Previous business day’s reference statistical price (yield) of the benchmark JGBs
X: Predetermined value

*1. The reference statistical price (yield) used in this formula is the Average Price of compound yields (the unit price used in calculating compound yields is rounded down to the third decimal place).

*2. The benchmark JGBs are JGBs used as reference for judging the criteria for suspending dissemination of transaction information of the corporate bonds in question or the criteria for revoking the decision of suspension.

*3. The predetermined value is separately specified by JSDA. (The currently specified values are shown in Section (7) below.)

(ii) Suspension of dissemination based on a request for suspension

In some cases, corporate bonds may be treated as those not deserving the credit rating set forth in the Dissemination Criteria in the market even when those corporate bonds do not fall under the criteria for suspending dissemination described in (i) above. JSDA may therefore examine whether to suspend dissemination based on a request for suspension filed by a securities firm and make a decision of suspension when the suspension is determined truly necessary. If JSDA decides to suspend dissemination based on a request for suspension, this fact and the reason for the decision of suspension are announced on JSDA’s website.

JSDA also prepares a summary of the cases of examining suspension of dissemination triggered by a request for suspension and posts it on JSDA’s website. The points to be
examined are as described in Figure 5. These points are illustrative only. A decision of suspension may depend on examination of other matters in some cases.

<table>
<thead>
<tr>
<th>Point to be examined</th>
<th>Description of examination (example)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Status of corporate bonds issued by the same issuer</td>
<td>Do corporate bonds issued by the same issuer fall under the criteria for suspending dissemination?</td>
</tr>
<tr>
<td>(b) Calculation of reference statistical prices (yields) of JGBs other than the benchmark JGBs</td>
<td>When using the reference statistical prices (yields) of any JGBs other than the benchmark JGBs (having the due date close to the due date of the corporate bonds in question) in the calculation formula, do they fall under the criteria for suspending dissemination?</td>
</tr>
<tr>
<td>(c) Estimated values other than reference statistical prices (among others, values estimated for the corporate bonds for which reference statistical prices (yields) are not disseminated)</td>
<td>If there are any estimated values other than reference statistical prices (yields) disseminated by information vendors or other organizations, do the corporate bonds fall under the criteria for suspending dissemination when using such third party estimated values in the calculation formula?</td>
</tr>
<tr>
<td>(d) Contract price</td>
<td>When using the contract price of the corporate bonds in question in the calculation formula, rather than their reference statistical price (yield), do the corporate bonds fall under the criteria for suspending dissemination?</td>
</tr>
<tr>
<td>(e) Reference statistical prices (yields) on multiple business days</td>
<td>When using the reference statistical prices (yields) of the corporate bonds in question on the first and last days of a certain period of consecutive business days and the reference statistical prices (yields) of the benchmark JGBs on the same days in the calculation formula, do the corporate bonds fall under the criteria for suspending dissemination?</td>
</tr>
<tr>
<td>(f) Deviation between the reference statistical price (yield) of the corporate bonds in question and the yield indicated in the rating matrix</td>
<td>Does the reference statistical price (yield) of the corporate bonds in question considerably exceed the yield of other bonds rated “AA” in the rating matrix?</td>
</tr>
<tr>
<td>(g) Results of examination of the points listed above</td>
<td>Do the corporate bonds fall under the situations described in multiple items from (a) to (f) above?</td>
</tr>
</tbody>
</table>
(6) Revocation of suspending dissemination of transaction information

As explained in Section (5), a measure of suspending dissemination is intended to eliminate corporate bonds substantially treated as those not deserving the credit rating set forth in the Dissemination Criteria due to the occurrence of a credit event, etc. from the scope of dissemination of information on corporate bond transactions. In this view, resuming dissemination of information on corporate bond transactions (revoking a decision of suspension) is reasonable when the situation of failing to deserve the credit rating set forth in the Dissemination Criteria ceases to exist after a certain period of time. In this event, the measure of suspending dissemination will be revoked with effect from the first business day of the second calendar month after the calendar month in which the effective date of the suspension falls, from which the dissemination of transaction information will be resumed.

In some cases, however, a corporate bond spread may remain higher than a specified value even after a certain period of time. With regard to the corporate bonds placed in such a situation, the measure of suspending dissemination will continue, without resuming information dissemination for the meantime. To be more specific, the difference between “the difference between the reference statistical price (yield) of the corporate bonds on the Review Date in the month in which dissemination of their transaction information is scheduled to be resumed and their reference statistical price (yield) on the business day immediately preceding the day on which the corporate bonds start to fall under the criteria for suspending dissemination” and “the difference between the reference statistical price (yield) of the benchmark JGBs on the Review Date in the month in which dissemination of their transaction information is scheduled to be resumed and their reference statistical price (yield) on the business day immediately preceding the day on which the corporate bonds start to fall under the criteria for suspending dissemination” reaches or exceeds a predetermined value (in other words, falling under the calculation formula indicated in Figure 6), the decision of suspension will continue in effect, without resuming information dissemination.

If suspension of dissemination is invoked based on a request for suspension described in (5)(ii), a measure of continuing suspension using the calculation formula indicated in Figure 6 will not be implemented.
<Figure 6> Formula for revoking of suspending dissemination of transaction information

\[(C - B) - (c - b) \geq Y\]

B: Reference statistical price (yield) of the corporate bonds in question on the business day immediately preceding the day on which the corporate bonds in question start to fall under the criteria for suspending dissemination

C: Reference statistical price (yield) of the corporate bonds in question on the Review Date in the calendar month in which dissemination of their transaction information is scheduled to be resumed

b: Reference statistical price (yield) of the benchmark JGBs on the business day immediately preceding the day on which the corporate bonds in question start to fall under the criteria for suspending dissemination

c: Reference statistical price (yield) of the benchmark JGBs on the Review Date in the calendar month in which dissemination of the transaction information of the corporate bonds in question is scheduled to be resumed

Y: Predetermined value

*1. The reference statistical price (yield) used in this formula is the Average Price of compound yields (the unit price used in calculating compound yields is rounded down to the third decimal place).

*2. The benchmark JGBs are JGBs used as reference for judging the criteria for suspending dissemination of transaction information of the corporate bonds in question or the criteria for revoking a decision of suspension.

*3. The predetermined value is separately specified by JSDA. (The currently specified values are shown in Section (7) below.)

If a decision of suspending dissemination continues in effect, the scheduled resumption of dissemination of transaction information will be postponed to the month immediately following the month originally specified for the resumption. Then, whether to revoke the decision of suspension will be judged on the Review Date in the month specified for the rescheduled resumption (Figure 7).

If the corporate bonds in question once satisfy the criteria for revoking a decision of suspension on the Review Date in the month in which dissemination of their transaction information is scheduled to be resumed and fall under the criteria for suspending dissemination again after this Review Date, such corporate bonds will be treated as corporate bonds under suspension of dissemination in the month specified for the scheduled resumption of dissemination. Therefore, dissemination of their transaction information will be continuously suspended after the first business day of the month specified for the scheduled resumption of dissemination.
<Figure 7> Example of suspending dissemination of transaction information and revoking the decision of suspension

(7) "Predetermined value" in the formula for judging the criteria for suspending dissemination of transaction information or the criteria for revoking of suspension

In JSDA, a "predetermined value" to be used in the formula for judging the criteria for suspending dissemination of transaction information (X) and the one to be used in the formula for judging the criteria for revoking a decision of suspension (Y) are specified respectively as follows.

Values of X (in the criteria for suspending dissemination of information) and Y (in the criteria for revoking of suspension) for corporate bond transactions

<table>
<thead>
<tr>
<th>Remaining maturity</th>
<th>Less than 3 years</th>
<th>Not less than 3 years, less than 5 years</th>
<th>Not less than 5 years, less than 7 years</th>
<th>Not less than 7 years, less than 10 years</th>
<th>Not less than 10 years, less than 15 years</th>
<th>15 years or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>X or Y</td>
<td>10</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

(8) Discontinuation of dissemination of transaction information

If corporate bonds satisfying the Dissemination Criteria on the Review Date cease to satisfy the Dissemination Criteria because of their failure to fulfill the Dissemination Criteria as a result of subsequent downgrading, JSDA will discontinue dissemination of their transaction information from the immediately following business day.

If JSDA confirms that corporate bonds newly incorporated in the list of issues covered by dissemination of transaction information (corporate bonds newly starting to satisfy the Dissemination Criteria on the Review Date) fall under the criteria for suspending dissemination after the Review Date, dissemination of their transaction information will be discontinued from...
the first business day of the following calendar month.

Unlike the rule of suspension, there is no mechanism of revoking of discontinuation. Once the corporate bonds fall under the criteria for discontinuation of dissemination, transaction information of these corporate bonds will no longer be disseminated unless and until the corporate bonds satisfy the Dissemination Criteria again on any subsequent Review Date.

Corporate bonds for which dissemination of transaction information is discontinued are announced on JSDA’s website.

<Periodical verification of the reporting and dissemination system>
After disseminating information on corporate bond transactions, JSDA periodically verifies the impacts of such dissemination on corporate bond liquidity and reviews and redefines the report/dissemination system for information of corporate bond transactions where necessary.

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.